

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT
OF
INDIANA CRIMINAL JUSTICE INSTITUTE
STATE OF INDIANA
May 1, 2001 to May 31, 2004

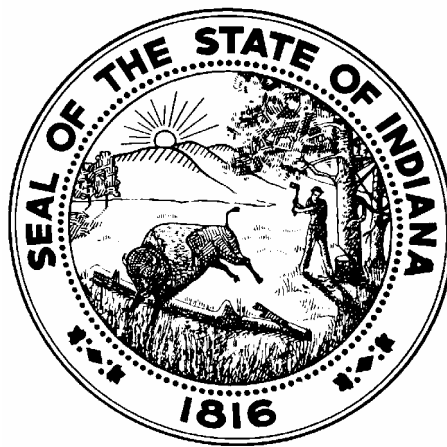


TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Agency Officials.....	2
Independent Accountant's Report.....	3
Review Comments: Cost Allocation and Indirect Cost.....	4
Exit Conference.....	5

AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Ms. Robin Tew	01-05-04 to 01-10-05
	Mr. Joseph R. Koenig	06-10-03 to 01-04-04
	Ms. Catherine O'Connor	01-08-01 to 06-09-03



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF INDIANA CRIMINAL JUSTICE INSTITUTE

We have reviewed the receipts, disbursements, and assets of the Indiana Criminal Justice Institute for the period of May 1, 2001, to May 31, 2004. Indiana Criminal Justice Institute's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana Criminal Justice Institute are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comment.

STATE BOARD OF ACCOUNTS

July 1, 2004

INDIANA CRIMINAL JUSTICE INSTITUTE
REVIEW COMMENTS
May 31, 2004

COST ALLOCATION AND INDIRECT COSTS

The Criminal Justice Institute receives both state and federal funding to establish and maintain state-wide planning for criminal justice, juvenile justice, traffic safety, and victim services. The federal Department of Justice (DOJ) and the federal Department of Transportation (DOT) provide the federal funding while the state or local governments provide matching funds. A federal program audit reported that a cost allocation system should be established to appropriately allocate common costs to the benefiting state and federal governments. The Criminal Justice Institute (CJI) responded to that report by initiating a manual allocation process and contracted with an outside vendor to automate this process. That automation project is in process at this time. The agency's manual allocation process uses journal vouchers to allocate common costs among the various benefiting grants. This processing alone requires significant staff time and accounts for more than 25% of all contract transactions processed for this agency.

Consideration should be given to contacting the budget agency to assess the viability of an indirect cost rate to replace the existing allocation system. An acceptable rate applied to a consistent base would provide comparable results and significantly reduce the burden of the existing manual system.

". . . Any cost that is a direct cost but not 100% for a particular grant must be allocated between each grant for which the cost is related and to state funds for portions not relating to federal grants. The allocation must be made on a logical basis and on a basis that represents the direct benefit to the grant. Some federal programs require approval of an allocation plan by the federal grantor agency." (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 12)

INDIANA CRIMINAL JUSTICE INSTITUTE
EXIT CONFERENCE

The contents of this report were discussed on August 6, 2004, with Robin Tew, Executive Director; Donna Roberts, Deputy Director; and Debbie Rosemeyer, Fiscal Manager. The officials concurred with our finding.